IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

APPEAL UNDER SECTION 109 No 22 of 1993

For Approval and Signature:

Hon'ble MR.JUSTICE K.M.MEHTA

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

CADILA LABORATORIES LTD.

Versus

THE REGISTRAR OF TRADE MARKS

Appearance:

MR RR SHAH for Petitioner

MR ND NANAVATI for Respondent No. 1, 2

CORAM : MR.JUSTICE K.M.MEHTA

Date of decision: 21/06/2001

CAV JUDGEMENT

1. Cadila Laboratories-petitioner has filed this appeal under Section 109 of the Trade and Merchandise Marks Act, 1958 against the judgement and order dated 14.11.1990 passed by the Assistant Registrar, Trade Marks, Ahmedabad (hereinafter referred to as `respondent

No. 2). Respondent No. 2 by the said decision was pleased to reject the application filed by the petitioner for registration of its Trade Mark consisting of the word `Brofex' (word per se) for the specification of goods to read as `Pharmaceutical and Medicinal Preparations' in class 5 of 4th Schedule to the Trade and Merchandise Marks Rules, 1959 (hereinafter referred to as `the Rules). The petitioner had also filed this application under Section 12(1) read with Section 18(4) of the Act. The Registrar was pleased to reject the application and ordered for advertisement in the Trade Mark Journal.
2. The relevant facts giving rise to this appeal are as under:

2.1 The petitioner has filed an application on 14.9.1987 before the Registry of Trade Mark, Bombay for registration of a Trade Mark consisting of the word `Brofex' (word per se) for the specification of the goods to read as `Pharmaceutical and Medicinal Preparations' in class 5 of the 4th Schedule to the Trade and Merchandise Marks Rules, 1959. The application was numbered as No. 478285. In the said application the user of the mark was not claimed as it was "proposed to be used."

2.2 It was submitted that the Registrar of Trade Marks examined the said application and the examination report was communicated vide No. U/3144 dated 27th September, 1989 whereby the Registrar objected to the registration of the abovementioned trade mark on the ground that the mark applied for is conflicting to registered Trade Mark BOROFAX in No. 12740 for the goods medicinal and pharmaceutical preparations owned by M/s. Wellcome Foundation Limited. Copy of the said examination report dated 27.9.1989 is enclosed with this petition.

2.3 On coming to know of the report the learned advocate for the petitioner by his letter dated 3.10.1989 stated that the petitioner's impugned trade mark was not identical with or deceptively similar to the cited trade mark and the application should not be refused registration but should be accepted for registration at an early date. The Registrar, Trade Mark, thereafter gave hearing to the petitioner's learned advocate and the hearing was fixed on 13.9.1990.

2.4 After shifting of the office of the Registry Branch at Ahmedabad, learned advocate for the petitioner at the hearing before the Registry, Trade Mark, submitted on behalf of the petitioner that the objection raised under Section 12(1) of the Act was not tenable inasmuch as the rival marks were not "deceptively similar" and the

Registrar is duty bound to advertise the impugned application under Section 20(1) proviso before acceptance in the Trade Marks Journal for inviting the public objections if any including the objections from proprietors of the cited mark.

2.5 However, respondent No. 2 did not accept the aforesaid arguments advanced on behalf of the petitioners and rejected the impugned application. However, after hearing on 13.9.1990, the said application was rejected by respondent No. 2 by his letter dated 1.11.1990. The petitioners thereupon applied for the grounds of the learned Assistant Registrar's said decision by filing prescribed form TM 15 dated 5.11.1990 and the grounds in the impunged decision dated 14.11.1990 of the learned Assistant Registrar. The said decision and the order was forwarded to the petitioners' advocate by the Trade Marks Registry branch by letter dated 17.1.1991.

3. Being aggrieved and dissatisfied with the aforesaid decision of respondent No. 2 dated 14.11.1990 wherein the Assistant Registrar, Trade Mark, was pleased to refuse to advertise the application before acceptance as per proviso to Section 20, the petitioners have filed this appeal before this court under Section 109(2) of the Act in this behalf.

4. Mr. R.R. Shah, learned advocate for the petitioners submitted that it was an error of the learned Assistant Registrar to have refused the petitioners' mark without advertising the same in the Trade Marks Journal before acceptance under Section 20(1) proviso for inviting public objections including objections from the proprietors of the cited mark. The learned counsel for the petitioners further submitted that the learned Assistant Registrar has also erred in not considering the proposal of issuing cross notice to the proprietors of the cited Mark No. 12740 to ascertain as to whether the said proprietors of the registered mark were at all interested in opposing the impugned application of the petitioners. It was further submitted that the learned Assistant Registrar has considered only Section 12(1) for refusing the impugned application of the petitioners. However, as a matter of fact, Section 12(3) empowers the Assistant Registrar to accept the application for registration made even for identical or deceptively similar trade mark. The proposed amendment in specification of goods to read as `pharmaceutical and medicinal preparations' being schedule H drug to be sold on a written prescription of a Registered Medical Practitioner would have satisfied the requirement of

Section 12(3) as a special circumstance. He further submitted that the learned Assistant Registrar has erred in refusing the impugned application in the guise of public interest. As a matter of fact, the public interest is better protected in pharmaceutical trade by strict and rigours provisions of Drug Rules applicable to the present case as the petitioners impugned mark is proposed to be used in respect of medicinal and pharmaceutical preparations.

5. In this case both the authorities are the Registrar of Trade Marks, Bombay and the Assistant Registrar of Trade Marks, Ahmedabad. I requested Mr. Akshay Mehta, learned Standing Counsel to appear of behalf of them and he has agreed and consented for appearing in the said matter and assisted in this behalf.

6. Before I consider the rival contentions, I set out the relevant statutory provisions in this behalf. Section 2(d) of the Trade and Merchandise Marks Act, 1958 defines the term `deceptively similar' which means a mark shall be deemed to be deceptively similar to another mark if it so nearly resembles that other mark as to be likely to deceive or cause confusion. Section 11 defines the term `Prohibition of registration of certain marks' which means a mark - (a) the use of which would be likely to deceive or cause confusion. Section 12 defines prohibition of registration of identical or deceptively similar trade marks. Sub-section (1) of Section 12 reds as follows:

"Sec. 12(1) -Save as provided in sub-section (3), no trade mark shall be registered in respect of any goods or description of goods which is identical with or deceptively similar to a trade mark which is already registered in the name of a different proprietor in respect of the same goods or description of goods.

Sec. 12(2) xxxxxx

Section 12(3) - In case of honest concurrent use or of other special circumstances which, in the opinion of the Registrar, make it proper so to do, he may permit the registration by more than one proprietor of trade marks which are identical or nearly resemble each other (whether any such trade mark is already registered or not) in respect of the same goods or description of goods, subject to such conditions and limitations, if any, as the Registrar may think

fit to impose."

6.1 Section 18 of the Trade and Merchandise Marks Act, 1958 provides application for registration which reads as under:

"Section 18(1) - Any person claiming to be the proprietor of a trade mark used or proposed to be used by him, who is desirous of registering it, shall apply in writing to the Registrar in the prescribed manner for the registration of his trade mark either in Part A or in Part B of the register.

Secs. 18(2) and (3) xxxxxxx

Sec. 18(4) - Subject to the provisions of this Act, the Registrar may refuse the application or may accept it absolutely or subject to such amendments, modifications, conditions or limitations, if any, as he may think fit."

6.2 Section 20 provides for advertisement of application and Section 20(1) and proviso read as under:

"Where an application for registration of trade mark has been accepted, whether absolutely or subject to conditions or limitations, the Registrar shall, as soon as may be after acceptance, cause the application as accepted together with the conditions or limitations, if any, subject to which it has been accepted, to be advertised in the prescribed manner;

Provided that the Registrar may cause the application to be advertised before acceptance if it relates to a trade mark to which sub-section (2) of section 9 applies or in any other case where it appears to him that it is expedient by reason of any exceptional circumstances so to do."

6.3 Rule 41 of Trade and Merchandise Marks Rules, 1959 provides for decision of Registrar. Rule 41 reads thus:

"Rule 41(1) - The decision of the Registrar under Rule 39 or rule 44 after a hearing, or without a hearing if the applicant has duly communicated his observations in writing and has stated that he does not desire to be heard, shall be

communicated to the applicant in writing, and if the applicant intends to appeal from such decision he may within one month from the date of such communication apply on Form TM-15 to the Registrar requiring him to state in writing the grounds of, and materials used by him in arriving at, his decision."

6.4 Mr. R.R. Shah, learned advocate,has submitted that on conjoint reading of statutory provisions and the relevant rules, if the applicant-petitioner meets all the objections raised by the office, the application will be advertised in the Trade Mark Journal either as accepted or before acceptance on the petitioner furnishing a printing block where necessary. An application may be advertised before acceptance if it relates to a trade mark to which S. 9(2) applies or in a case where the Registrar thinks it expedient to do so by reason of any exceptional circumstances. The mark may also be advertised before acceptance when the Registrar feels some doubt as to its registrability. The learned counsel has relied on an unreported judgement of the Mumbai High Court in Misc. Petition No. 218 of 1971 in the case of Messrs Unique Pharmaecutical Laboratories Vs. The Registrar of Trade Marks decided on 18.11.1971 (Coram: Kantawala, J) where after considering the statutory provisions the Deputy Registrar of Trade Mark rejected the application for registration without giving direction for advertisement and inviting opposition or objection to the registration of the trade mark. He has also invited my attention to the judgement of the Bombay High court IN THE MATTER OF M/S. R.T. ENGINEERING AND ELECTRONICS CO. reported in AIR 1972 BOMBAY 157 where the court (Coram: Vimadalal, J) at para 3 on page observed as under:

"Whilst, generally speaking, the court would follow the procedure of advertising the mark and deciding the question of confusion or deception only when it is opposed and evidence taken in regard to the same, before it applies the bar of Section 11(a) of the Act., there is nothing in the said section to deprive the Registrar of the power which he has under Section 18(4) of the Act, in proper case, to refuse to accept an application for registration without advertising it or calling for evidence of likelihood of deception or confusion. It is not difficult to conceive of case in which the likelihood of confusion or deception may be so patent that to compel the Registrar to advertise and call for evidence would be sheer waste of public time, and

it is for that reason that the Legislature has advisedly not made it obligatory on the Registrar to do so in every case under Section 11(a)."

6.5. He has submitted that the above judgement has been followed by the Calcutta High Court in the case of BANIK RUBBER INDUSTRIES VS. SREE D.B. RUBBER INDUSTRIES reported in AIR 1990 CALCUTTA 225 in which the Court (Coram: Baboo Lall Jain, J) after referring to the case has observed at para 16 on page 230 as follows:

"The distinction between Sections 11(a) and 12(1) of the Act is: (1) whereas under Section 11, Actual user must be taken into account including the mode of user, or the fact that the goods are known in the market by a particular name, for the purpose of considering the possibility of deception or confusion under Section 12, the court has only to take into account what may tersely be called, notional fair user on the basis of the similarly of the two marks, though it must no doubt consider not only visual or phonetic similarity, but also the possibility of contextual confusion or deception as to trade origin, as well as the other surrounding circumstances such as the nature of the goods and the kind of customers who would be likely to buy those goods; (2) whereas Section 12 comes into play only when the opponent's mark is a registered trade mark, there is no such limitation in regard to the applicability of Section 11, and (3) whereas Section 12 applies only when the mark applied for is identical with or deceptively similar to a registered trade mark, there is no such limitation in regard to the nature of the goods in a case under Section 11. In either case, however, the Court has to consider the position from the point of view of an unwary purchaser who is a man of average intelligence and of an imperfect recollection."

6.6 After referring to another judgement of the Bombay High Court in the case of Ciba Limited Basle Switzerland V. M.Ramalingam and S.Subramaniam reported in AIR 1958 Page 56. In that case, the Calcutta High Court was considering the trademark of the petitioner Ajanta Hawai - Mugur brand whereas the respondent applied for registration of trademark of Ajanta Hawai - Hammer brand. On Para 18 of Page 231, the Court further observed as under:-

"18. I have compared the two marks. It is found that the word "A" has been designed in both marks in a similar peculia fashion. The test is whether an unwary purchaser who does not have a photographic memory with regard to the contents of the marks is likely to be confused or deceived as mentioned in the judgement of Division Bench of the Bombay High Court and specially when the court has to compare two different words the mater in the ultimate analysis must depend upon the first impression. The resemblance between the two words may be visual or phonetic and the only test that has to be applied when the court is considering a case falling under the section is the test of identity or resemblance. The two words must be taken and judged by their look and sound in relation to the goods to which they are to be applied. The nature and kind of customer who would be likely to buy those goods and the surrounding circumstances and the likely result if each of those trade marks is used as a trade mark for the goods of the respective owners of the marks, must all be considered and if on such consideration the conclusion is that there will be a confusion, that is to say, not necessarily that one man will be injured and the other will gain illicit benefit, but that there will be confusion in the mind of the public which will lead to confusion in the goods, then the registration must be refused."

6.7 He has submitted that ordinarily applications are advertised before acceptance where cross oppositions or cross proceedings are likely to result. He has relied on the case of ENOCH'S APPL. reported in (1947) 64 R.P.C. 119. In that case in Enoch's Application an application for registration of the word "Vivicillin" was ordered to be advertised before acceptance on account of special circumstances, namely, that penicillin was a well-known generic name and "Vivicillin" was in the same class of commodity as "penicillin". When an application for registration of a trade mark is advertised before acceptance, the Registrar may, if he thinks fit, advertise it again after it has been accepted.

6.8. The learned counsel for the petitioner has stated that his case is identical with the aforesaid judgement of Enoch's Appl. (supra) and the Registrar ought to have advertised his application before accepting for registration. He submitted that the Registrar has clearly erred in not advertising the application before

accepting the same and refused to register the same. He stated that as far as Bombay High Court judgement is concerned `In the Matter of M/s. R.T. Engineering and Electronics Co.' it is not a case relating to Section 11(a) whereas the present case relates to Section 12(1) and therefore also the observations made by the Bombay High Court in that case is not applicable in this case and he therefore heavily relied on the unreported judgement of the Bombay High court in the case of Messrs Unique Pharmaceutical Laboratories (supra) in this behalf.

6.9. I have considered the statutory provisions. I have also considered the relevant authorities in this behalf and I am of the view that the Registrar has clearly erred in refusing the application of the applicant before acceptance in this behalf. The Registrar has not properly exercised his discretion which is vested in him under the proviso to Section 20 of the Act. The Registrar ought to have considered that this is a case relating to Section 12(1) which is again subject to Section 12(3) which in my view the Registrar has failed to consider and therefore came to the erroneous conclusion that both the marks are deceptively similar in this behalf at this stage. Before the Registrar considering that application, the Registrar ought to have considered Section 12(3) of the Act. The Registrar has only considered Section 12(1) of the Act which I have referred earlier.

6.10. The Registrar has also rejected the application on the ground that the Tribunal has to safeguard the interest of the general public so as to eliminate any chance of confusion or deception and has to be more cautious especially when the goods are medicinal and pharmaceutical preparations. In this case, the case before the Registrar was not only to accept the application but before the application is accepted, he should have advertised the application for inviting the public objections if any including objections from proprietors of the cited mark and other public representing the Trade Mark to represent their views so that he would have the benefit and advantage of other views of the public before considering as to whether the mark applied is deceptively similar or any other mark which is existing in the market.

6.11. In my view, if the applicant satisfactorily meets all the objections raised by the Office, the application will be advertised in the trade mark journal before acceptance as per Section 20 on the applicant furnishing

a printing block where necessary. The application may be advertised before acceptance if it relates to a trade mark to which Section 9(1) and Section 11(1) and (2) applies or in any other case where it appears that it is expedient by reason of any exceptional circumstances so to do. Looking to the facts of the present case, exceptional circumstances did exist and therefore the Registrar ought to have advertised the trade mark in the Trade Mark Journal before acceptance.

6.12 My aforesaid view is also supported by the commentary of Kerly's Law of Trade Marks and Trade Names, 10th Edition on page 57 para 4.23 which reads as under:-

> "The Registrar may accept the mark tendered, either absolutely or conditionally, or subject to limitations, or refuse it. When an application has been accepted, whether absolutely or subject to conditions, the Registrar must, as soon as may be after acceptance, cause it, as accepted, to be advertised in the Official Journal. Under the proviso of Section 18(1) he may advertise it before acceptance if it is made under Section 9(1)(e) or where he considers there are special circumstances."

7. In my view the order of the Registrar dated 14.11.1990 by which he has refused/rejected to advertise the application of the petitioner is liable to be set aside. I, therefore, quash and set aside the order dated 14.11.1990 passed by the Registrar of Trade Mark and direct that the Registrar will give direction for causing the application of the petitioner to be advertised before acceptance as provided under the proviso to Sub-section (1) of Section 20 of the act and thereafter he will deal with the application in accordance with law. He will decide the matter independently and he will not be influenced by the judgement of this court. There shall be no order as to costs. Appeal allowed with no order as to costs.

(K.M. MEHTA, J)

(pkn)